



**Agenda Item Number: 2010-11-7B**

## **BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS**

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**Meeting Date:** November 9, 2010

**Department:** Economic Development **Staff Contact:** Renetta Torres, DCM, Admin Svcs  
Dan Gutierrez, Director  
Dennis C Chavez II, Assistant Director

**TITLE:** Community Development Revolving Loan Fund Program for Noribachi Group, LLC.

**ACTION:** Motion to:

- 1 Adopt **Ordinance 2010-** authorizing the Bernalillo County Commission to file a CDRLF application to the State of New Mexico and assign a lease purchase agreement between the County and the Noribachi Group, LLC in the amount of \$1,208,000.
2. Approve Financial Resolution **FR 2010-** to provide a budget increase in the amount of \$1,208,000.00 from the State Economic Development Department's Community Development Revolving Loan Fund.
3. Approve a Lease/Purchase Agreement between Bernalillo County and Noribachi, LLC
- 4 Approve Financial Resolution **FR 2010-** to provide a budget increase in the amount of \$1,223,704 for the equipment rent and repayment to the NM State Economic Development Department.

**SUMMARY:**

The Community Development Revolving Loan Fund (RLF) was created by the Laws of 1983, Chapter 299, Section 5, Subsection D as amended. The funds are used to provide assistance to incorporated municipalities or county units of government to construct or implement projects necessary to provide services that will encourage the location and/or expansion of industry.

The State of New Mexico Economic Development Department administers the RLF to strengthen community development through the creation of jobs, stimulation of private investment, promotion of community revitalization, expand the local tax base. Applications are reviewed by staff of the EDD and must be approved by an internal Economic Development Funding Committee, the Local Government Division of the DFA, and by the Economic Development Commission.

The application is aimed at acquiring equipment for the purpose of manufacturing photovoltaic solar panels. The cost of said expenditure is One Million, Two Hundred Eight Thousand Dollars (\$1,208,000). The Loan is secured entirely by the equipment purchased with a payment term of one year at which time Noribachi will reimburse the full amount of the loan to Bernalillo County. Bernalillo County will then make the final payment to the New Mexico Economic

Development Department. Loan proceeds may be used for infrastructure improvements, acquisition of real property, construction, rehabilitation or installation of public facilities, site improvements and utilities, and commercial or industrial buildings or structures.

Noribachi will immediately purchase equipment and create a limited production process at their existing facility. This allows the company to manufacture and obtain certification of their solar panels prior to a full blown manufacturing facility planned for the South Valley in 2011. The State approached the County using the RLF as a one year bridge loan to jump start the entire process.

**ATTACHMENTS:**

1. **Ordinance 2010-\_\_\_\_\_** .
2. Lease/Purchase agreement
3. Financial Resolution **FR -2010-\_\_\_\_\_** .
4. Fiscal Impact form

## **FISCAL IMPACT**

See Attachment 4

## **STAFF ANALYSIS SUMMARY**

### **COUNTY MANAGER**

See summary. TL 11/3/2010

### **DEPUTY COUNTY MANAGER FOR ADMINISTRATIVE SERVICES**

The total expenditure is \$1,208,000 for a term of one year. The purpose is to acquire equipment related to the manufacturing of solar panels. The equipment secures the bridge loan which will be reimbursed by Noribachi to NMEDD. RMT, 11/02/10

### **DEPUTY COUNTY MANAGER FOR FINANCE**

The proposed actions budget revenue from the State of New Mexico Economic Development Loan Fund for equipment purchase by Noribachi. Noribachi will then pay back the loan within a year of the receipt and acceptance of the equipment. Dan Mayfield, 11/2/2010

### **LEGAL**

Approved by Bond Counsel.

### **FINANCE**

<b>Budget</b>	Budget Funding for the purchase of the equipment and rent and debt payment will be included in the FY2011 General Fund budget. Teresa Byrd, 11/4/10
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